

Message Text

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40-51

ORIGIN AF-18

INFO OCT-01 ISO-00 PM-07 DODE-00 SS-20 NSC-07 AID-20 IGA-02

L-03 OMB-01 MC-02 TRSE-00 EB-11 CIAE-00 INR-10

NSAE-00 RSC-01 /103 R

66604

DRAFTED BY AF/E:RVKEELEY:JR

APPROVED BY AF - AMB. EASUM

AF/E:WBCOOTE

PM:MR. JAMES (DRAFT)

DOD/ISA:MR. BADER

AF/RA:MR. NAVEZ (DRAFT)

S/S:MR. GAMMON

NSC:MR. HORAN

ISA/SA:MR. DICK

J5:COL. PATER

DSAA:MR. GRANDE PRE

NOTE TO ANALYSIS: THIS IS A C O R R E C T E D C O P Y

(OMISSION OF ACTION ADDRESSEE)

----- 071341

P 091755Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA PRIORITY

INFO USCINCEUR PRIORITY

C O N F I D E N T I A L STATE 047999

C O R R E C T E D C O P Y (OMISSION OF ACTION ADDRESSEE)

E.O. 11652: GDS

TAGS: PFOR, MASS, ET, US

SUBJECT: FY-74 MILITARY ASSISTANCE PROGRAM

REFERENCE: ADDIS ABABA 2557

1. DEPT AND DOD CONCUR IN DESIRABILITY OF EMBASSY'S
DISCUSSING FY 74 MILITARY ASSISTANCE PROGRAM WITH NEW
IEG. LEAVE IT TO EMBASSY TO DECIDE APPROPRIATE TIME TO
DO SO.

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2. EMBASSY HAS ALREADY BEEN AUTHORIZED (STATE 023177) TO INFORM IEG OF FY-74 GRANT MAP LEVEL OF DOLS 12.5 MILLION. IF IEG HAS NOT ALREADY BEEN ADVISED OF THIS FIGURE, WHEN YOU DO SO ADVISE WOULD BE WORTHWHILE TO POINT OUT TO IEG THAT WE HAVE BEEN ABLE PROGRAM THIS AMOUNT DESPITE LIMITATIONS ON OUR OVERALL RESOURCES OF WHICH IEG AWARE. MAP FIGURE REPRESENTS 81 PERCENT OF ALL FY 74 GRANT ASSISTANCE TO AFRICA AND IS ABOUT AS LARGE AS OUR GRANT MILITARY ASSISTANCE TO ALL OF LATIN AMERICA.

3. EMBASSY IS NOW AUTHORIZED TO INFORM IEG THAT IN ADDITION TO THE ABOVE USG CAN OFFER FMS CREDIT ASSISTANCE TO THE IEG OF DOLS 5 MILLION IN FY 74. FURTHERMORE, IEG SHOULD BE ADVISED THAT FMS CREDITS OF DOLS 5 MILLION EACH IN FY 75 AND FY 76, SUBJECT TO ANNUAL CONGRESSIONAL AUTHORIZATION AND APPROPRIATION OF FUNDS, HAVE BEEN APPROVED. THIS IS INDICATIVE OF OUR WISH TO CONTINUE TO ASSIST THE IEG'S ARMED FORCES TO FILL SOME OF THEIR HIGHEST PRIORITY EQUIPMENT NEEDS.

4. FYI-CREDIT TERMS FOR INITIAL DOLS 5 MILLION IN FY 74-- I.E., INTEREST RATE, GRACE PERIOD, REPAYMENT SCHEDULE-- HAVE NOT YET BEEN DETERMINED AND SHOULD NOT BE DISCUSSED WITH IEG UNTIL COORDINATED WITHIN EXECUTIVE BRANCH. IT WOULD BE HELPFUL, HOWEVER, IN VIEW OF RECENT CHANGES IN IEG, IF WE HAD TENTATIVE IDEA WHAT ITEMS IEG LIKELY WANT TO INCLUDE UNDER FY 74 CREDIT.

5. FYI CONTINUED -- FOR PLANNING PURPOSES EMBASSY/MAAG SHOULD UNDERSTAND THAT RECOMMENDATION FOR APPROVAL OF AN FMS CREDIT PROGRAM FOR ETHIOPIA WAS PRESENTED IN TERMS OF ASSISTING MEET A PRIORITY CATEGORY OF IEG REQUIREMENTS, SPECIFICALLY MODERNIZATION OF ARMOR AND ANTI-TANK FORCES INCLUDING PROVISION OF M-60 TANKS. WITHIN THIS FRAMEWORK WE INTEND TO BE FLEXIBLE IN REACHING AGREEMENT WITH IEG FOR USE OF FMS CREDITS TO HELP MEET IEG'S HIGHEST PRIORITY MILITARY EQUIPMENT NEEDS. END FYI.

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6. CONSIDERATION IS BEING GIVEN TO PROVISION OF SIDEWINDERS, AND CLIMATE IS FAVORABLE FOR A POSITIVE RESPONSE, BUT SOME QUESTIONS REMAIN TO BE RESOLVED. WE WOULD PREFER TO OFFER SIDEWINDERS ON A CASH SALE BASIS, TO OBTAIN NEED FOR A PRESIDENTIAL DETERMINATION. QUESTION NOW WOULD BE WHETHER IEG CONSIDERS SIDEWINDERS SUCH A HIGH PRIORITY ITEM THAT THEY WOULD WANT TO EXPEND SOME OF THEIR SCARCE CASH RESOURCES FOR THEM,

ESPECIALLY IN VIEW OF EVER-GROWING DEMANDS ON IEG
BUDGET TO MEET CRITICAL DEMANDS. REQUEST EMBASSY'S
VIEWS ON WHETHER CASH SALE OFFER OS SIDEWINDERS WOULD BE
ACCEPTED BY IEG. KISSINGER

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